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Programme budget for the biennium 1998–1999

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

Third report: Analysis of savings resulting from the improved overall cost-effectiveness achieved pursuant to the ninth session of the United Nations Conference on Trade and Development, including the restructuring of the intergovernmental machinery and the reform of the secretariat

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General of 13 May 1998 (A/52/898 and Corr.1). During its consideration of the report, representatives of the Secretary-General provided additional information.

2. In its resolution 52/220 of 22 December 1997 (sect. III, paras. 52 and 54), the General Assembly requested the Secretary-General to prepare expeditiously in consultation with the Working Party on the Medium-term Plan and the Programme Budget of the United Nations Conference on Trade and Development (UNCTAD), a report on proposals regarding savings resulting from the improved overall cost-effectiveness achieved pursuant to the decisions taken at the ninth session of the Conference, including the restructuring of the intergovernmental machinery and reform of the Secretariat and how to reallocate a part of the savings in the 1998–1999 budget cycle, with a view to strengthening the capabilities of the Conference in priority areas, and to submit it to the General Assembly at the first part of its resumed fifty-second session.

3. In its decision 52/462 of 31 March 1998, the General Assembly, having taken note of the overall unspent balance of \$9,326,600 from the regular budget for the biennium 1996–1997, decided to allocate an amount of \$2.5 million to the Integrated Management Information System for 1998 and an amount of \$1.3 million for improving and refurbishing conference facilities, and to retain the balance of \$5,526,600 with a view to financing the activities of UNCTAD, as requested in resolution 52/220, taking into account the recommendations of the Secretary-General in that regard. With that decision, the Assembly implicitly waived financial regulations 4.2 to 4.4, according to which appropriations should be available only for the biennium to which they relate. The Advisory Committee cautions that this decision to fund activities after the biennium to which the funds relate has ended would create a precedent and should be avoided. Furthermore, the Committee points out that the \$5.5 million in savings is not directly related to the decision taken at the ninth session of the Conference and the reform of the secretariat of UNCTAD.



4. Upon inquiry, the Advisory Committee was informed that the expenditures incurred for the above three items would be recorded in special accounts and reported in the notes to the financial statement when the accounts for the biennium 1998-1999 were presented to the General Assembly at its fifty-fifth session in 2000. The Committee was also informed that such expenditures would be subject to the established internal and external audit reviews and observations in place for other United Nations expenditures.

5. With regard to the financing of the activities of UNCTAD, the Advisory Committee notes from paragraph 3 of the report of the Secretary-General that the Secretary-General prepared his initial proposals and presented them to the Working Party on the Medium-term Plan and the Programme Budget of UNCTAD.

6. A correction was made to paragraph 4 of the report of the Secretary-General. The Advisory Committee understands that the Trade and Development Board was informed of the comments and recommendations of the Working Party, which were subsequently transmitted to the Secretary-General by a letter from the Chairman of the Working Party (A/52/898 and Corr.1, annex).

7. In connection with the implementation of General Assembly resolution 52/220, the Advisory Committee notes from paragraph 7 of the report of the Secretary-General that "a characterization of the \$7,774,200 of 'savings' as due either to the ninth session of the Conference or to the implementation of decision 50/215 [sic] requires a judgement which the Secretariat is not in a position to take".

8. However, upon inquiry, the Advisory Committee was informed that \$2 million in "savings" could be traceable to the reduction in the conference-servicing requirements of UNCTAD undertaken as a result of the ninth session. In the opinion of the Committee, that amount should have been reflected in the report of the Secretary-General.

9. The annex to the report of the Secretary-General outlines how the amount of \$5.5 million is to be utilized pursuant to General Assembly decision 52/462. The Advisory Committee notes a slight difference between the amount proposed to be allocated (\$5,529,000) (see A/52/898 and Corr.1, annex, appendix, table) and the amount retained by the General Assembly in its decision 52/462 (\$5,526,600).

10. The Advisory Committee has no objection to the proposals of the Secretary-General and UNCTAD to utilize the amount retained by the General Assembly in its decision 52/462. However, the Advisory Committee recommends that

the amount to be utilized should not exceed the amount of \$5,526,600.

11. The Advisory Committee notes that an amount of \$1,088,000 is being proposed to enhance the expertise of the deliberations of the expert meetings of the Commissions of the Trade and Development Board (A/52/898 and Corr.1, para. 13). The Committee was also informed that while the utilization of the amount of \$1,088,000 was based on the assumption that 14 months would be available in the biennium 1998-1999 (for 14 expert meetings), by the time the General Assembly acts on the proposals, the number of months available would be less than 14; it is now anticipated that there would be 10 expert meetings. The Committee was further informed that the savings that might arise as a result of the reduction in the number of expert meetings will be used to increase the number of experts per meeting. In this connection, the Committee was informed that the maximum number of experts allowed at each UNCTAD expert meeting would be 16.

12. The Advisory Committee notes from the agreed statement by the Chairman of the Working Party (A/52/898 and Corr.1, annex, appendix, attachment, para. 2) that the proposals for the financing of experts would not set a precedent regarding the financing from the UNCTAD regular budget of the expenses of experts attending, in their personal capacity, expert meetings convened by the Commissions in accordance with paragraph 114 of "A Partnership for Growth and Development" (see A/51/308). The Advisory Committee was informed that the questions of how the experts will be selected, nominated and appointed were still being negotiated. It is the view of the Committee that there is a need for decisions to be taken so that foreseen activities can be carried out.